

When individuals have the opportunity to learn and gain expertise, the need for hierarchic structure diminishes, making it possible for a self-organizing approach to succeed and generate individual and organizational success.

Muddling Through

Engaging Our Innate Heuristics

Charles Ehin

Have you ever wondered how work really gets accomplished in organizations? Sometimes it seems like a miracle that anything gets done at all amid all the confusion. This article discusses the dynamics of the day-to-day operations that allow us to get through what, at times, appears to be total chaos and actually produce a product or provide a service. The process is probably best described as “muddling through.”

Every venture that is operational in some fashion has a “sweet spot,” as illustrated in Figure 1, which is a conglomeration of multiple, smaller sweet spots throughout an organization. The simplest way to think about organizational sweet spots is that it's in these domains where most of the work and innovation takes place because it's here that a meeting of the minds takes place without formal deliberations. More precisely, it's about “mutually supportive engagement and transparency” where people involved feel they have a personal stake in the outcomes.

Organizational Sweet Spots in Hierarchical Organizations

We'll start by looking at Figure 1 and interpret what it depicts. The left circle, labeled “systems, processes, technology, and management structure,” with the exception of management structure, is critical for

any viable venture. For an organization to succeed it needs some sort of systems, processes, and technology in place—otherwise it really can't provide continuous products or services. That's why there's a solid ring drawn around it. Also, in a hierarchical or top-down organization there is a fourth element, the management structure to consider. That's not the case when we deal with self-managing enterprises as discussed later.

Now let's decipher the other two components of Figure 1 as outlined by dotted circles signifying that their boundaries are much more porous and dynamic. Although management is formally part of the left-hand circle of the figure in a controlled-access configuration it also has its own informal social networks. These networks evolve more for the purpose of understanding how the systems, processes, and technology are supposed to work to produce the intended products or services and not simply for socializing. That, of course, includes sharing options on how best to manage the workforce.

The third part of Figure 1, the worker informal networks, is very similar to the informal management networks. These emergent networks also develop more for understanding the overall systems and processes in addition to comprehending management values rather than solely for fun.

The key element in both informal networks is “self-organization.” Without self-organization not much could get accomplished in any organization primarily because the development of systems and procedures can never take into account or anticipate all factors that may come into play. Daily adjustments are needed and there is seldom time to wait for formally sanctioned directives from management.

It should now be apparent why it’s so important that all three circles overlap as much as possible forming the “sweet spot.” If these three factors overlap more and more, it indicates that both management and the workforce agree on what needs to be accomplished to get the necessary or improved output from the total system. The greater the overlap, the greater the “meeting of the minds.” That means increased work is accomplished voluntarily through self-organization or muddling through rather than strictly by top-down management directives.

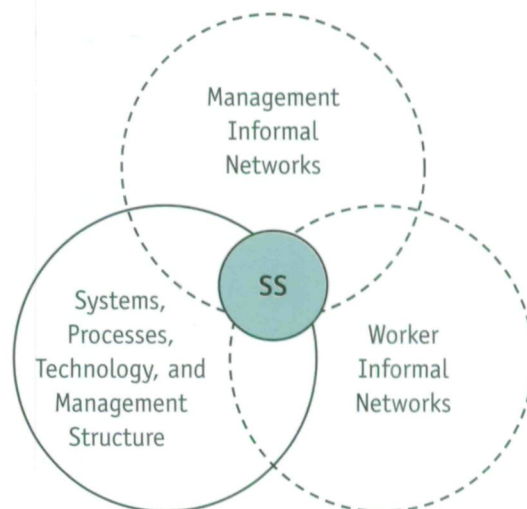
Now let’s take an even closer look at the dynamics of Figure 1 with a couple of examples. First, in a relatively “normal” hierarchical organization, day-to-day activities are quite easy to imagine. Think of a situation from your experience in a top-down setting when you or your team carried out a directive from your immediate supervisor.

Probably the first thing you did was try to make sense or interpret the directive from your perspective. You then, most likely, discussed alternative actions and coordination requirements with your colleagues or people from other departments. Further, there was also a good chance that you sought further clarification from the supervisor to assure that everyone was on the same page.

The actions you and your colleagues took were “emergent/self-organizing” including the interactions with your superior(s). These necessary unplanned activities occur voluntarily at the sweet spot. Thus, the better relationships you have with the people around you, the bigger the sweet spot becomes.

Essentially, this first example demonstrates that the more the management and worker informal network dynamics overlap, the easier and faster work is accomplished. That, however, doesn’t happen in many enterprises. In some organizations the primary management philosophy is based on intimidation and fear. In these ventures people are constantly threatened with severe reprimands and other forms of punishment if directives are not carried out to the “full satisfaction” of management. Ironically, managers in these companies also relentlessly pressure employees to meet higher and higher output goals without any

Figure 1: Hierarchy Sweet Spot



say in improving work methods or additional incentives. How does this affect the size of the sweet spot?

Management by intimidation and fear limits employee engagement, forcing the worker informal networks to gradually withdraw from the sweet spot. Workers essentially become more concerned about their welfare than the viability of the business. Of course, dissatisfied people always have the option to leave the organization. In rough economic times, however, that is seldom a practical alternative. Most people will stay and endure the pain but only staying involved enough to keep from being fired. Over time, the sweet spot keeps shrinking and the organization gradually becomes less competitive.

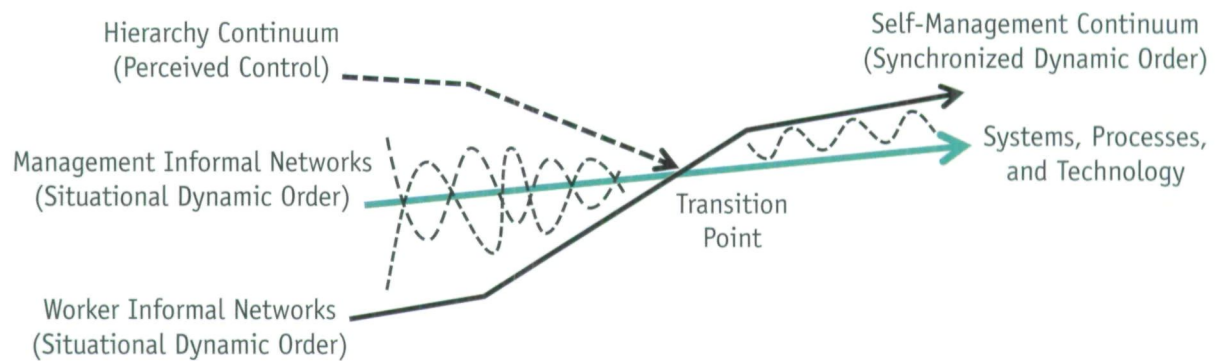
To increase the size of the sweet spot in a top-down organization, keep flattening the hierarchical structure as much as possible. This has the tendency to overlap the informal management and worker networks more and more. Now, imagine how productivity and innovation would increase if the informal management and worker networks are combined totally. It can be done.

Unfortunately, there is a limit within a top-down configuration on how much the two emergent networks are able to share common characteristics. For a complete overlap, a self-managing or a shared-access system must replace the hierarchical structure. That, however, is not an easy task.

Transitioning From a Hierarchical to a Self-Managing Configuration

It’s important to keep in mind that we inevitably need some sort of formal systems and procedures to get work accomplished. We should also realize what can and what can’t be managed or controlled.

Figure 2: System Effectiveness Progression



Hence, the key things to remember in any situation are as follows:

- *Formal structures*—such as systems, processes, technology, and hierarchical configurations can be managed (adjusted/controlled).
- *Sweet spots*—are all about dynamic order and, therefore, are emergent (can be influenced but not controlled).
- *Informal networks*—people's roles, identities, and relationships are also emergent (can't be controlled).

To get a better "feel" why and how an organization transitions from a hierarchy to a self-organizing mode look at Figure 2. At the left side of the diagram you'll note that while an organization is governed by a hierarchical structure, the overall perception may be that management is in control of all operations.

Of course, that is an enormous misperception not only internally by both management and the workforce but also by external agencies. The situation is much more complex as discussed above. Yes, management can design an "artificial and mechanistic" system. Once people are inserted into the designed arrangement, however, it then also includes an "organic social system" governed by natural laws whose dynamics are neither fully predictive nor manageable.

In effect, once people enter the picture a major portion of a venture becomes a complex adaptive system. David L. Gilden, a professor of psychology at the University of Texas, suggests that complex adaptive systems are characterized by something called self-organized criticality. "They tend to migrate to the point where they are partially ordered, partially disordered. They're at the melting point between order and disorder."¹ Such emergent dynamics can be influenced by management or position power but not controlled outright.

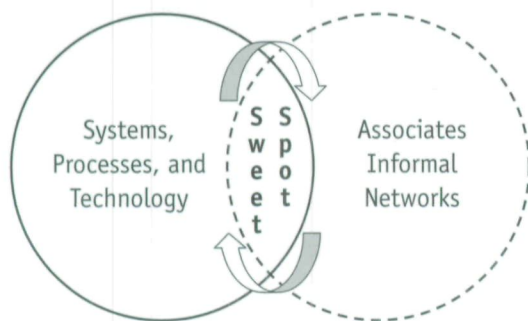
Turning back to the left side of Figure 2, we can now begin to visualize how work takes place through the continuous interactions between the management and worker informal networks. Essentially, where these networks overlap is an emergent sweet spot where the meeting of the minds between the two constituencies takes place as depicted by the crossing of the wavy lines. Here work and innovation is achieved through dynamic order or self-organized criticality and not top-down control. In fact, as indicated before, the more control management applies, the smaller a sweet spot becomes.

Depicted by the heavy dotted line approaching the transition point, the sweet spots expand as the organizational structure is flattened. A business, however, can't expand its sweet spots indefinitely by just limiting more and more organizational layers. It eventually needs to determine if or when to switch completely to a self-organizing mode.

One more key element on the hierarchy continuum side of the diagram needs attention. It's the term "situational dynamic order" as shown in parenthesis below each informal network. It suggests that self-organized criticality is achieved from situation to situation. It's not continuous, although reaching dynamic order becomes easier as personal relationships expand and there is less pressure to comply with management demands.

Conversely, as displayed below the self-management continuum on the right side of Figure 2, is the expression "synchronized dynamic order." It implies that once an organization completes its transition from a hierarchy continuum to a self-managing continuum, two specific changes take place in the system's social dynamics. First, the top-down structure, and with it leadership via position power, is eliminated. It's replaced by situational leadership or

Figure 3: Self-Management Sweet Spot



"catalytic leadership," which is based on value-added knowledge facilitation.

Second, synchronized dynamic order takes a leading role rather than situational dynamic order. Clearly, certain opportunities and problems require more individual attention than others as displayed by the dotted wavy line between the self-managing continuum and the systems, processes, and technology of a venture. In a well functioning self-organizing enterprise, however, members are naturally attuned to assuring that all activities are competently synchronized throughout the organization.

Organizational Sweet Spots in Self-Managing Organizations

Once an organization makes the transition to a self-organizing system, Figure 3 effectively replaces Figure 1. Two fundamental things have changed. The left circle no longer includes a management structure. Consequently, the informal management networks component displayed in Figure 1 has also vanished. It's been wholly incorporated into the associates' informal networks of Figure 3.

How do these changes facilitate the expansion of the "collective" (as opposed to situational) organizational sweet spot? It's probably best to begin answering this question with an example. Imagine you are a member of a self-managing team (shared-access system). The team has a mission that involves certain processes, systems, and technology that don't include a management structure. Even though there is no management to deal with, you are still confronted with a formal system (processes, systems, and technology) that you need to adhere to (or change if necessary) to get work accomplished.

Accordingly, as you identify problems or opportunities, they are first interpreted by the people involved and then some sort of action is agreed upon. Again the activities and actions are emergent. What is missing is the additional interpretations

and meeting of the minds conducted by the management informal networks as discussed in the earlier example. The universal sweet spot thus has a better chance of expanding because one part of the equation—management—is no longer present for its own explanations and final approval.

The key thing to remember is that the responsibility for appropriate organizational activities and actions hasn't disappeared. It has shifted from management to the associates involved in the day-to-day operations. More precisely, explicit management coordination has shifted to implicit coordination carried out by all the associates involved.

In a shared-access system the "voluntary" interactive dynamics are more widespread because there are no bosses to give orders. Catalytic leadership facilitates these relationships with expertise rather than position power as the dominant factor. Essentially, primacy is situated in people's commitment to the success of the venture rather than compliance with management directives. The sweet spots are not only larger but also more widely interconnected throughout the organization.

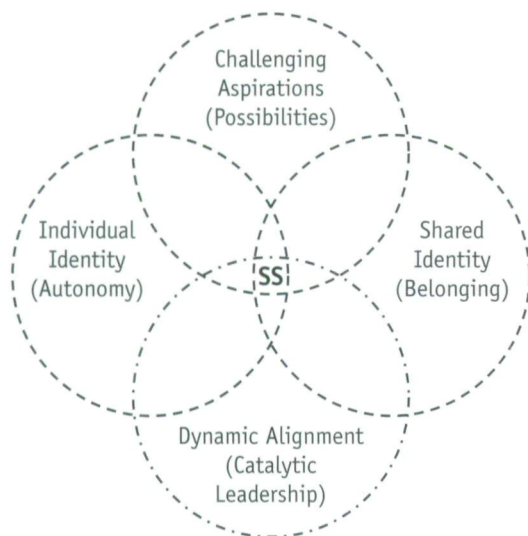
A self-managing enterprise, however, doesn't necessarily always produce stellar results. It takes a great deal of effort to find the right people and develop a well functioning shared-access system. People accustomed to working in structured organizations have an especially difficult time finding solace in self-managing systems. The associate selection process, therefore, is one primary factor to success.

Through multi-disciplinary research and extensive administrative experience four general principles were developed to provide the foundation for the establishment and proper functioning of self-managing enterprises. Remember that the dynamic interactive principles portrayed in Figure 4 are descriptive rather than prescriptive.

Every organization needs to explore and discover how to apply these principles in its unique way. We frequently forget that every business is comprised of different people and, therefore, has a distinctive social chemistry. This is true even though a venture may produce the same product or service as other very similar companies.

Looking at the left side of the model we encounter the principle of individual autonomy. It suggests that an organization should make every effort to recruit people who have a strong sense of their role responsibility and personal commitment to advance the enterprise. Having high levels of empathy and attunement toward one's colleagues is another

Figure 4: Self-Management Ecology Principles



prerequisite. Finally, an individual who is asked to join the business must also have the necessary talents and skills to help accomplish organizational goals.

On the opposite side of Figure 4 is the principle of shared identity. A vital component of this principle is the necessity for members to have a strong sense of belonging. Of course, it takes time for such relationships to evolve and flourish. Clearly, such groups need to value diverse individual identities and place importance on mutually beneficial reciprocal relationships. Also, groups with more than 150 members can seldom achieve the cohesion necessary for the proper functioning of a self-managing system.

The principle of challenging aspirations sits at the top of the model and is much more than an impressive standard vision. This principle suggests that the organizational members should constantly look for new possibilities for the enterprise to pursue. Not only does challenging aspirations include shared goals and incentives but it also places credence on individual goals and incentives. Both need to be well balanced for people to take full responsibility for the welfare of an organization. Reflective thinking is also seriously encouraged to assure that everyone is on the same page and that the business is headed in the right direction.

Finally, the principle of dynamic alignment is all about catalytic leadership. This means that every member of an organization is responsible for taking the initiative to lead as a specific situation presents itself. Catalytic leadership is founded on expertise not position power. It can be defined as, "Encouraging others to participate in value-added

activities that they are either not aware of or are hesitant to initiate action on their own, that would benefit everyone involved."

For an organization to function fully on the self-organizing continuum, all four principles need to be firmly in place, but these self-organizing principles are not easy to develop or follow. A shared-access operation is not for the faint of heart because every associate shares responsibility equally with everyone else for the overall success of the company. That certainly doesn't fall into the "8 to 5" job category. If developed properly, a self-organizing system is definitely worth the effort both monetarily and for personal satisfaction, however.

Conclusion

If we are mindful that people's mind-sets and relationships are emergent, and thus can't be managed, we can begin to grasp the positive impact that adhering to self-organizing principles can have on the success of an enterprise. It's quite appropriate that we place the process of muddling through on a much higher pedestal in our pursuit of organizational effectiveness and innovation. In the final analysis, muddling through is not only inherently more human friendly but also worth the extra effort.

Reference:

Natalie Angier, "Bringing New Understanding to the Director's Cut," New York Times, March 1, 2010, <http://www.nytimes.com/2010/03/02/science/02angi.html>.



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Charles Ehin is a recognized management and innovation dynamics authority. An emeritus professor of management at Westminster College, Ehin has authored several groundbreaking management books, including *Unleashing Intellectual Capital*, *Hidden Assets: Harnessing the Power of Informal Networks*, and *The Organizational Sweet Spot: Engaging the Innovative Dynamics of Your Social Networks*. He served in the U.S. Air Force as an officer for 20 years where he held numerous leadership positions including teaching at the Air Command and Staff College. After working as an internal organization development consultant in the private sector, he joined Westminster as the first dean of its Gore School of Business. For more information, e-mail him at kalev1@msn.com.

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